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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:	:	Chapter 11
	:	Case Nos. 00 B 41065 (SMB)
RANDALL'S ISLAND FAMILY GOLF	:	through 00 B 41196 (SMB)
CENTERS, INC., <u>et al.</u> ,	:	
	:	(Jointly Administered)
Debtors.	:	
	:	
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OBJECTION OF DEBTORS AND DEBTORS-IN-
POSSESSION TO MOTION OF EQR-DEER RUN
VISTAS, INC. FOR AN ORDER GRANTING RELIEF
FROM THE AUTOMATIC STAY

TO THE HONORABLE STUART M. BERNSTEIN,
UNITED STATES BANKRUPTCY JUDGE:

The above-captioned debtors and debtors-in-possession
(collectively, the "Debtors"), for their objection (the
"Objection") to the Motion (the "Motion") of EQR-Deer Run Vistas,
Inc. ("EQR") for an order granting relief from the automatic stay
of section 362 of chapter 11 of title 11 of the United States
Code (the "Bankruptcy Code"), respectfully represent as follows:

Introduction

1. EQR is apparently seeking relief from the stay to
continue litigation against the Debtors in state court in
connection with alleged damage caused to EQR's property as a

result of an alleged spillover of sedimentation from one of the Debtors' properties onto EQR's adjacent property. It is unclear, however, what EQR's exact intentions are with respect to the continuation of this action. EQR has indicated that it desires relief from the automatic stay to effect a settlement with the Debtors and to access the Debtors' liability insurance in connection with such settlement. The problem with this, however, is that such request is premature; there is no settlement yet between EQR and the Debtors. Right now, there is an action pending in state court in South Carolina, from which the Debtors have apparently been stricken, but which is scheduled to proceed to trial in less than one week. It is not clear to the Debtors whether EQR is seeking relief from the stay to try to bring the Debtors back into the state court action, which would be wholly inappropriate or, if not, why EQR is seeking relief from the stay.

Background

2. On or about March 31, 1999, EQR commenced an action against Family Golf Centers, Inc. ("Family Golf") and Greenville Family Golf Centers, Inc. ("Greenville"), both Debtors in these chapter 11 cases, and certain other defendants (the "Codefendants") in the Court of Common Pleas, State of South Carolina, County of Greenville. The case arises out of alleged damage caused to EQR's property by certain sedimentation from the Cross Winds Golf Club, which is leased by Greenville. The trial with respect to EQR's claim against the Debtors' codefendants is

scheduled to begin on September 11, 2000 -- only two business days after the hearing on the Motion.

3. Shortly after the State Court Action was commenced, the Debtors, their insurers and EQR began negotiations to settle EQR's claim. Separate and apart from the proposed settlement, the Debtors have already made significant efforts to prevent any potential future spillover onto EQR's property and are awaiting a certificate from EQR certifying that the remediation has been completed to EQR's satisfaction.

4. On or about July 20, 2000, an order was entered in the State Court Action striking Family Golf and Greenville from the action. On or about August 23, 2000, EQR filed the Motion seeking relief from the automatic stay so as to allow the State Court Action to proceed.

Argument

5. Under section 362(d) of the Bankruptcy Code, the Court may only grant relief from the stay for "cause". See In re Sonnax Indus., Inc., 907 F.2d 1280, 1287 (2nd Cir. 1990); In re Mazzeo, 167 F.3d 139, 142 (2nd Cir. 1999). The Motion not only fails to demonstrate that cause exists for granting EQR relief from the stay, it fails to explain why it needs relief from the automatic stay.

6. As noted above, the Debtors have been stricken from the State Court Action, which is scheduled for trial next week. Certainly, EQR cannot be seeking to join the Debtors in that action. Similarly, if EQR is seeking to commence a new

action against the Debtors, it has not shown any basis for obtaining such relief.

7. Moreover, as noted above, EQR and the Debtors have engaged in negotiations in an attempt to consensually resolve this matter. In fact, on the return date of the Motion, the Debtors and EQR are meeting to try to resolve the remaining open issues. In this regard, EQR has suggested that the purpose of the Motion is to enable EQR and the Debtors to effectuate a settlement. The problem with that is twofold: first, there is no settlement yet, and second, any such settlement would require Bankruptcy Court approval. As such, granting the requested relief would have no effect on the settlement efforts.

Conclusion

8. EQR has not shown the existence of cause justifying relief from the stay. If EQR is simply seeking to effectuate a settlement, the Motion fails to assist in that regard. If it is seeking to commence litigation against the Debtors, or worse, attempting to include the Debtors in the trial of the State Court Action, EQR has not shown that cause exists to do so.

For the reasons set forth above, the Debtors request that the Court deny the relief requested in the Motion.

Dated: New York, New York
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